



Connecticut
Light & Power

The Northeast Utilities System



The Northeast Utilities System

TESTIMONY OF RICHARD A. SODERMAN
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY
Finance, Revenue & Bonding Committee—March 22, 2010

S. B. No. 484 AN ACT CONCERNING THE GOVERNOR'S REVENUE PLAN.

This proposed bill removes limitations in current law regarding additional securitization of charges on electric bills in order to facilitate a taking of the funds collected through rates of electric distribution companies currently used to fund energy efficiency and other programs and divert them to support long-term financing of the state's budget shortfall. ***We strongly oppose this bill.***

This proposed bill apparently arises from a report issued by the Treasurer's office and OPM. That report describes options for using existing charges on electric bills of Connecticut's two electric companies to support the funding of rate reduction bonds to offset the state's budget deficit. In effect, the proposal would effectively convert current utility charges for conservation and renewable programs and potentially other programs (including those supporting low income efforts) into tax revenues. Customers served by municipal electric departments would not be required to participate in this tax, since they are not subject to these legislatively defined charges.

The impact of this diversion would:

- Eliminate or significantly reduce up to 7,000 of skilled Connecticut jobs;
- Destroy small businesses within the state that make up program delivery infrastructure;
- Disproportionately tax burden limited-income consumers;
- Make the State's climate change, carbon reduction and renewable goals unachievable;
- Result in higher electric bills.

CL&P has been a substantial supporter and implementer of green jobs, and Connecticut's energy efficiency programs have been a significant energy policy success. Our energy efficiency



**Connecticut
Light & Power**

The Northeast Utilities System



The Northeast Utilities System

programs are nationally recognized for their leadership and innovation. These programs are managed and administered by regulated utilities, with oversight by the Energy Conservation Management Board and the DPUC. Our programs are transforming our State's productivity and enhancing the energy efficiency of existing and future homes:

- Saving customers \$4 in electric system benefits for every \$1 invested in energy efficiency;
- Providing \$533 million in future energy savings by means of 2009 program expenditures;
- Assuring that 155,000 tons of CO₂ are not released per year;
- Reaching 350,000 customers = 2.6 billion lifetime kWh savings.

The programs are delivered to customers through the engagement of numerous private energy efficiency vendors. These initiatives have resulted in a vibrant GREEN JOBS program - years before green jobs became popular. Current program operations require more than 2,500 individuals trained in a number of skilled disciplines, such as:

- Energy Auditors
- HVAC and Refrigeration Technicians
- Electricians
- Weatherization Technicians
- Energy Efficiency Entrepreneurs
- Engineers.

When induced/indirect jobs are factored into the picture, nearly 7,000 jobs have been created, the vast majority of which are Connecticut based.

As a practical matter, energy efficiency is one of the few ways that customers can manage their electric bills, even when they are faced with high rates.

Thank you for the opportunity to present testimony on this bill.